

State of California
BOARD OF EQUALIZATION

SALES AND USE TAX REGULATIONS

Regulation 1506. MISCELLANEOUS SERVICE ENTERPRISES.

Reference: Sections 6006, 6007, 6015, 6018.1, Revenue and Taxation Code.

(a) BARBERS, BEAUTY SHOP OPERATORS, BOOTBLACKS, LAUNDERERS AND CLEANERS.

(1) IN GENERAL. Barbers, beauty shop operators, bootblacks, launderers and cleaners are the consumers of the supplies and other property used in performing their services, and tax applies with respect to the sale to them of the supplies and other property. They are retailers, however, of any such supplies or of used articles or other tangible personal property which they sell to consumers in the regular course of business, and tax applies to the gross receipts from such sales.

(2) RENTALS. Launderers and cleaners are the consumers of linen supplies and similar articles, including towels, uniforms, coveralls, shop coats, dust cloths, and similar items, rented to others when an essential part of the rental contract is the furnishing of the recurring service of laundering or cleaning of the articles rented, and tax applies with respect to the sale to them of such articles.

(b) CIRCULATING LIBRARIES. When circulating libraries, which are engaged in the business of renting books to others, pay tax measured by the purchase price of such books either to the person from whom the books are purchased or to the board, tax does not apply to the amount charged for the rental of such books. Such libraries are retailers of new or used books which they sell to consumers in the regular course of business, and tax applies to the gross receipts from such sales.

(c) DENTISTS AND DENTAL LABORATORIES. Dentists are consumers of the materials, supplies, dental laboratory products and other tangible personal property which they use in performing their services. Tax, accordingly, applies to the sale of the tangible personal property to them.

Dental laboratories are the retailers of the plates, inlays and other products which they manufacture for dentists or other consumers. Tax applies to their entire charges for such products regardless of whether a separate charge or billing is made for materials and manufacturing services.

(d) GUN CLUBS. Gun clubs are consumers, not retailers, of clay pigeons or blue rocks furnished to members or patrons in connection with trapshooting or similar sports even though the charge for the service is measured by the number of clay pigeons or blue rocks used. The tax applies with respect to the sale of such property to the clubs.

(e) LICENSED HEARING AID DISPENSERS. Effective January 1, 1985 persons licensed as hearing aid dispensers by the Department of Consumer Affairs, Board of Medical Quality Assurance, are consumers of hearing aids furnished or sold by them. The term "hearing aid" includes any necessary accessory or component part of the hearing aid which is fully worn on the body of the user such as cords, connector tubing, ear molds, or batteries, whether the part is sold or furnished separately or in conjunction with the hearing aid. The term also includes replacement and repair parts. Tax applies with respect to the sale of such products to licensed hearing aid dispensers.

Tax applies to the retail sale of such products by persons who are not licensed hearing aid dispensers.

(f) SUMMER CAMPS. The tax applies to gross receipts from the sale of meals or other tangible personal property at summer camps, whether operated by municipal or private corporations, or other parties. When a camp qualifies as a school or educational institution, tax, with respect to meals, applies in the same manner as to schools and educational institutions. To qualify as a school or educational institution for purposes of this regulation, the camp must conduct regularly scheduled classes, with required attendance, in charge of qualified instructors.

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If a single charge is made for all of the privileges extended by the camp, a segregation must be made and the tax returned on that portion of the total charge representing taxable receipts from the sale of meals or other tangible personal property. In the absence of such segregation, the taxable receipts from the sale of meals or other tangible personal property shall be determined by the board based on information available to it.

(g) TAXIDERMISTS. Taxidermists are consumers of the materials used in repairing, stuffing and mounting skins, heads, etc., of animals, birds, fish, and the like furnished by their customers, and tax applies with respect to the sale of such property to them. If, however, a separate charge for such property is made on the invoices to the customers at the fair retail selling price, the taxidermist is the retailer of the property and tax applies to such separate charge.

Tax applies to retail sales by taxidermists of skins, heads, mountings or other tangible personal property.

(h) LICENSED VETERINARIANS.

(1) Definitions. As used herein:

(A) The term "licensed veterinarian" means any person licensed as a veterinarian by the California Department of Consumer Affairs, Veterinary Medicine Board of Examiners.

(B) The term "drugs and medicines" includes substances or preparations intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals and which is commonly recognized as a substance or preparation intended for this use. The term includes legend drugs, pills and capsules (other than vitamins), liquid medications, injected drugs, ointments, vaccines, intravenous fluids, and medicated soaps if those soaps are available only to veterinarians. The term does not include vitamins, shampoos, pet foods, prescription diet foods, artificial diets, flea powders, and flea sprays.

(C) The term "professional services" includes the diagnosis and treatment of disease or trauma in animal life. It also includes the administration of drugs and medicines by means of, for example, injection, intravenous solution, or oral or bodily application.

(2) Application of Tax.

(A) Effective October 2, 1985, licensed veterinarians are consumers of drugs and medicines which they use or furnish in the performance of their professional services. Accordingly, tax does not apply to a licensed veterinarian's charges to clients for such drugs and medicines, whether or not separately stated. Licensed veterinarians are also consumers of tangible personal property, other than drugs and medicines, which they use or which they furnish to clients without a separately stated charge. Sales of such drugs, medicines and other items to licensed veterinarians are retail sales.

(B) Licensed veterinarians are retailers of drugs and medicines which they furnish for a consideration without performing specific related professional services. Licensed veterinarians are also retailers of tangible personal property, other than drugs and medicines, which they furnish to clients for a separately stated charge. Unless otherwise exempt, tax applies to charges made by licensed veterinarians to clients for such drugs, medicines and other items. See Regulation 1587, "Animal Life and Feed," for exemption for sales of fee for certain animals. Tax applies to separately stated charges made for X-rays if the X-rays are delivered to clients.

History: Effective August 1, 1933.

Adopted as of January 1, 1945, as a restatement of previous rulings.

Amended September 2, 1965, applicable August 1, 1965 Rulings 3 and 4 (Cal. Admin. Codes 1903 and 1904).

Effective May 1, 1940 Ruling 9 (Cal. Admin. Code 1909).

Adopted November 3, 1969, as a restatement of former Ruling 3 (Cal. Admin. Code 1903); 4 (Cal. Admin. Code 1904); 5 (Cal. Admin. Code 1905); 6 (Cal. Admin. Code 1906); 9 (Cal. Admin. Code 1909); 10 (Cal. Admin. Code 1910), effective December 5, 1969.

Amended June 22, 1983, effective October 7, 1983. In subsection (e), deleted last sentence and added new last sentence.

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Amended May 1, 1985, effective May 31, 1985. A new subdivision (e), which defines the term "hearing aids", has been added and is entitled "Licensed Hearing Aid Dispensers." It explains that licensed hearing aid dispensers are, as a January 1, 1985, the consumers of hearing aids which they furnish or sell. However, the section also states that tax will apply to retail sales of hearing aids when sold by persons who are not licensed hearing aid dispensers. Subdivision (e), which is entitled "Summer Camps" has been renumbered to subdivision (f). Subdivision (f), which is entitled "Taxidermists", has been renumbered to subdivision (g).

Amended July 30, 1986, effective November 7, 1986. In subdivision (h), added explanation that licensed veterinarians are consumers of certain drugs and medicines. In subdivision (h) (1) (A), added definition of term "licensed veterinarian". In subdivision (h) (1) (B), added definition of term "drugs and medicines". In subdivision (h) (1) (C), added definition of term "professional services". In subdivision (h) (2) (A), added explanation concerning application of tax to certain drugs and medicines by licensed veterinarians. In subdivision (h) (2) (B), added explanation that licensed veterinarians are retailers of certain drugs and medicines. The subdivision also specified the correct application of tax to certain charges made for X-rays.

Regulations are issued by the State Board of Equalization to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law. If you are in doubt about how the Sales and Use Tax Law applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.